

Before the State of South Carolina  
Department of Insurance

In the matter of:	)	
	)	SCDI File Number 2000-103922
Life Investors Insurance Company	)	
of America,	)	Consent Order
	)	Imposing Administrative Penalty
4333 Edgewood Road Northeast	)	
Cedar Rapids, Iowa 52499.	)	
_____	)	

This matter comes before me pursuant to an agreement entered into between the State of South Carolina Department of Insurance and Life Investors Insurance Company of America (Life Investors), an insurer licensed to transact insurance business within the State of South Carolina.

I find as fact, that Life Investors required a South Carolina agent to pay licensing fees. Life Investors has alleged that this action is completely unintentional and is the result of a clerical oversight. However, it is a direct violation of Section 38-43-80 (B) of the South Carolina Code and can ultimately lead to the revocation of the insurer's certificate of authority to transact the business of insurance within the State of South Carolina pursuant to Section 38-5-120 (A)(2).


Prior to the initiation of formal administrative disciplinary proceedings against it, Life Investors and the Department agreed to submit the entire matter to me, along with their specific recommendation, for my summary decision. That consensual recommendation was that, in lieu of the Department's filing of a petition to revoke its certificate of authority to transact business as an insurer within South Carolina, Life Investors would waive its right to a public hearing and would immediately submit an administrative penalty in the total amount of \$1,000.

Section 38-43-80 (B) of the South Carolina Code in pertinent part states, "License fees for local, state, or special agents must be paid by the insurer for whom the agent proposes to act or by which the agent the proposed agent is vouched for in the application for license."

After a thorough review of the matter, carefully considering the recommendation of the parties, and pursuant to my findings of fact, I hereby conclude as a matter of law that Life Investors violate Section 38-43-80 (B). Although I can now revoke the insurer's certificate of authority, I hereby impose an administrative penalty in the amount of \$1,000 against Life Investors pursuant to the discretion provided to me by the State of South Carolina General Assembly in S.C. Code Ann. §§ 38-5-130 and 38-2-10 (Supp. 2000). This administrative penalty must be paid within ten days of my date and my signature upon this consent order. If that total amount is not paid on, or before, that date, then Life Investors' certificate of authority to transact

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Life Investors Insurance  
Company of America

business as an insurer within the State of South Carolina will be summarily revoked without any further administrative disciplinary proceedings.

This administrative penalty has been reached by the parties as a result of negotiation and compromise, and in consideration of the internal corrective internal measures Life Investors has taken to prevent this problem from recurring. This penalty includes all expenses related to investigation of this matter as provided in Section 38-13-70 of the South Carolina Code. The parties expressly agree and understand ~~Davis's~~ <sup>Life Investors</sup> payment of the agreed-upon penalty constitutes full accord and satisfaction of this matter. *Life Investors* 

By the signature of one of its officers or authorized representatives upon this consent order, Life Investors acknowledges that it understands that this administrative disciplinary order is a public record subject to the disclosure requirements of the State of South Carolina's *Freedom of Information Act*, S.C. Code Ann. §§ 30-4-10, *et seq.* (1991 and Supp. 2000). Nothing contained within this administrative disciplinary order should be construed to limit, or to deprive any person of, any private right of action under the law. Nothing contained within this administrative disciplinary order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement or judicial officer. Nothing contained within this administrative disciplinary order should be construed to limit the statutory duty of the Director of Insurance, exercised either directly or through the Department, to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the laws relative to the business of insurance or the provisions of this title which he considers necessary to report." S.C. Code Ann. § 38-3-110 (Supp. 2000).

It is, therefore, ordered that Life Investors Insurance Company of America shall, within ten days of my date and my signature upon this consent order, pay through the Department an administrative penalty in the total amount of \$1,000.

It is further ordered that a copy of this consent order shall be immediately transmitted to the National Association of Insurance Commissioners for distribution to its member states.

This consent order becomes effective on the date of my signature below.



Ernst N. Csiszar  
Director

January 1/30, 2001  
Columbia, South Carolina

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Life Investors Insurance  
Company of America

I CONSENT:

David E. Callen

Signature of Authorized Representative

DAVID E. CALLEN

Name

VICE PRESIDENT

Title

Life Investors Insurance Company of America

4333 Edgewood Road Northeast

Cedar Rapids, Iowa 52499

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Dated this 26<sup>th</sup> day of January, 2001